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NEWARK MOVES TO COUNTER REVENUE PROBLEMS

Newark Mayor Kenneth A. Gibson today announced a program of stringent economy and revenue raising measures in an effort to avert what he called a serious fiscal pinch.

"I have issued a series of directives to administrative officials to cut costs in vehicle and facility operations and to limit the cost associated with participating in conferences. Also, I have told those officials with the responsibility for collecting payment to the City of Newark, to crack down on all delinquent accounts," Gibson said.

In the area of labor costs, Mayor Gibson wants to reopen talks with unions. "I have ordered a new round of negotiations with municipal unions designed to seek savings in labor costs," Gibson said.

In explaining the need for the moves, Gibson explained that the problems lay with the prospects for the City's coming fiscal year, rather than with the current budget. "The City is not faced with any deficit as a result of our 1983 operation, but we must take steps now to insure that our solvency is maintained in the future," Gibson said.

"These efforts are a continuation of a policy of fiscal prudence practiced by my administration over the years. I have

had to cut more than 2,000 positions from municipal payrolls during my tenure, with more than 75 percent of the reduction coming from non-uniformed services and have held property tax increases to less than 27 percent while inflationary increases have been more than 140 percent during my administration. Despite all of this tightening we have done, it looks like things will get even tighter," Gibson warned.

Gibson identified cutbacks in state and federal funds as the major phenomenon plaguing Newark city government. At the same time, he pointed out that state and federal requirements mandate that municipalities spend more money for items like sewerage and refuse disposal.

"State and federal funding for 1984 will be only 1.3 percent higher than the level provided in 1980. Yet, at the same time, sewer treatment costs and refuse disposal fees grew by almost \$10 million. The rise in both areas resulted directly from state and federal regulations governing such operations," Gibson said.

"The federal and state governments have tried to fool the public into believing that they have reduced spending. What has really occurred is that they have shifted a significant part of the responsibility for governmental services down to the local level and onto the back of the most regressive form of taxation, the property tax," Gibson criticized.

In outlining the specifics of the latest economies, Gibson said that the city would eliminate many vehicles from the city

fleet and drastically curtail the use of those remaining. The Mayor also ordered thermostats in city buildings lowered during the heating season and raised during the summer months. He also ordered the removal of some 200 telephones from municipal offices and prohibited attendance at out of state conferences for all employees, except those attending as part of the actual conference program.

Gibson said, "I have okayed an aggressive program aimed at collecting old debts in several areas. Efforts are expected to begin immediately for the collection of delinquent water and sewer charges and an innovative program to pursue parking ticket scofflaws, involving the state's first direct license revocation system, will start in December. Also, I have ordered special city task forces to chase delinquencies in parking and payroll taxes and in payments on abated property."

"All of these fiscal measures are unlikely to be enough to fully stop the expected gap for 1984. The funds saved through these efforts will be significant and I will use them to minimize the pressures of tax increases or service cuts. Without additional aid from the state or federal governments, however, these programs alone will not be sufficient to overcome the burdens thrust upon the City of Newark," Gibson warned.